No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

CALDWELL MUTUAL FUNDS

SIMPLIFIED PROSPECTUS DATED JULY 19, 2019

Offering Series A, Series D, Series F and Series M Units of:

CALDWELL BALANCED FUND

and Offering Series A, Series D and Series F* Units of:

TACTICAL SOVEREIGN BOND FUND**

**Formerly Series I Units*
***Formerly Caldwell Income Fund*

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INTRODUCTION

This Simplified Prospectus contains selected important information about the Caldwell Mutual Funds listed on the front cover to help you make an informed investment decision and to help you understand your rights. We refer to the Caldwell Mutual Funds described in this document as the *Funds* or as *Caldwell Mutual Funds*. This document is divided into two parts.

- The first part (from pages 1 to 28) contains general information applicable to all of the Caldwell Mutual Funds.

- The second part (from pages 29 to 37) contains specific information about each of the Funds described in this document.

Additional information about each Fund is available in the following documents: the Annual Information Form; the most recently filed Fund Facts; the most recently filed annual financial statements; any interim financial statements filed after those annual financial statements; the most recently filed annual management report of Fund performance; and any interim management report of Fund performance filed after that annual management report of Fund performance. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document. You can get a copy of these documents, at your request, and at no cost, by calling us toll-free at 1-800-256-2441 or from your dealer.

These documents are also available on the Caldwell Mutual Funds internet site at www.caldwellinvestment.com or by contacting Caldwell Mutual Funds by e-mail at info@caldwellinvestment.com.

These documents and other information about Caldwell Mutual Funds are also available on the internet site of SEDAR (the System for Electronic Document Analysis and Retrieval) at www.sedar.com.

WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

What is a mutual fund?

A mutual fund is a pool of assets that is invested by a professional investment manager on behalf of a large group of people who have a common investment objective. The professional investment manager invests the assets in the securities of a variety of different issuers depending on the investment objectives of a fund and if the investments are profitable, all members of the group share in the profits. If the investments made by the professional investment manager are not profitable, all members of the group share in the losses. As a result, the value of your investment in a mutual fund may be more or less when you redeem it than when you purchase it. A mutual fund provides the investing public with access to the services and expertise of a professional investment manager which would not otherwise be readily available to them. It also allows investors to diversify their investments across a broader array of holdings than is normally possible with individual securities.

What is a unit?

In Canada, the pool of assets that comprise a mutual fund is generally held in a trust known as a mutual fund trust. When an investor wishes to have money managed by an investment professional, he or she purchases an interest, known as units, in a mutual fund trust. The money used to purchase the units becomes part of the pool of assets that are invested by the mutual fund's investment manager. A mutual fund company maintains a record of the number of units purchased by each investor in a mutual fund. The more money you invest in a mutual fund, the more units you acquire. The more units you acquire, the greater your interest in the mutual fund's results.

The purchase price of a unit changes daily because it is dependent upon the value of the securities that are acquired by the mutual fund's investment manager using the money that has been invested in the mutual fund. If the value of the securities purchased by the mutual fund goes up, the value of a unit of the mutual fund goes up. Similarly, if the value of the securities purchased by the mutual fund goes down, the value of a unit of the mutual fund goes down.

What do mutual funds invest in?

Mutual funds invest in a variety of different securities which can include treasury bills, government bonds, commercial paper, corporate debt and the common shares of domestic and foreign companies. Each mutual fund has its own investment objective which dictates the types of securities that may be acquired by the mutual fund's investment manager. Caldwell Mutual Funds provide you with an opportunity to invest in diversified Portfolios of these securities.

Why should I own a mutual fund?

You could make many of the same investments that managers of mutual funds make. So why bother buying mutual funds? There are two principal advantages.

Professional Management. First, professional investment managers invest money on a full-time basis and therefore have a level of expertise that the general public does not have. Because investment management is their full-time job, you do not have to spend the time making investment decisions on your own. Professional investment managers are also more efficient in gathering and assessing information and research that isn't readily available to individual investors.

Diversification. Second, professional investment management facilitates the ownership of a broad range of securities. This is known as diversification. The more diversified a Portfolio is, the less likely it will be affected by changes, up or down, in the value of any one individual security included in the Portfolio.

What are the risks associated with mutual funds?

The amount of your investment in any Caldwell Mutual Fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates ("GICs"), mutual fund securities are not insured by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Like other securities, the value of a unit of a mutual fund can decrease at any time for a number of reasons including the following:

Currency Risk. When a mutual fund buys securities that are denominated in currencies other than Canadian dollars, it can lose money if there is an adverse change in the exchange rate for the foreign currency. This can add volatility to a Portfolio that purchases securities denominated in foreign currencies.

Derivative Risk. From time to time each of the Funds may use derivatives as permitted by Canadian securities regulatory authorities and provided their use is consistent with the investment objectives and strategies of the Fund. A Fund may use derivatives for both hedging and non-hedging purposes.

When using derivatives for hedging purposes, a Fund seeks to offset or reduce a specific risk associated with all, or a portion, of an existing investment or position, or group of investments or positions. A Fund's hedging activity may therefore involve the use of derivatives to manage interest rate risk; reduce the Fund's exposure to underlying interests such as securities, indices and currencies; and enhance liquidity.

The Funds may also use derivatives for non-hedging purposes to gain exposure to underlying interests, such as individual securities, asset classes, indices, currencies, market sectors and markets, without having to invest directly in such underlying interests; to reduce transaction costs; and to expedite changes to the Funds' investment Portfolios. While derivatives are being used by a Fund for non-hedging purposes, the Fund must generally hold cash, the interest underlying the derivative and/or a right or obligation to acquire such underlying interest in sufficient quantities to permit the Fund to meet its derivative obligations without recourse to the other assets of the Fund.

A derivative is an investment that bases its value on the value of another kind of investment, like a stock, bond, currency or market index. Derivatives usually take the form of a contract with another party to buy or sell the underlying investment at a later time. Here are some examples of derivatives:

• *Options.* Owning an option gives the owner the right to buy or sell an asset like a security or currency at a set price and a set time. The owner can choose not to go ahead with the deal, although the other party must complete the deal if the owner wishes. The other party - the seller - gets a cash payment called a premium for agreeing to give the owner the option.

Selling an option gains the seller the premium and obliges the seller to buy or sell an asset like a security or currency at the set price and a set time. The other party - the owner - can choose whether to complete the purchase or sale of the underlying item.

• *Forward contracts.* In a forward contract, the parties agree today to buy or sell things like securities or currencies at a set price and a set time. The parties have to complete the deal by receiving or delivering what they have bought and sold and making or receiving a cash payment, even if the market price of the securities or currencies has changed by the time the deal closes.

• *Futures contracts.* A futures contract works much like a forward contract, except the price is set through trading on an exchange.

• *Swaps.* With a swap agreement, the parties agree to exchange, or "swap", payments. The payments the parties make are based on an agreed underlying amount, like the value of a bond. Each party's payments are calculated differently. For example, one party's payments may be based on a floating percentage of the value of the bond, while the other party's payments may be based on a fixed percentage of the value of the bond.

• *Debt-like securities.* With a debt-like security, the amount of principal or interest (or both) that the owner receives goes up or down depending on whether there is an increase or decrease in the value of an agreed underlying security, such as a share.

You accept a number of risks when we use derivatives for investment purposes. Here are some of the most common ones:

- there's no guarantee that a fund will be able to buy or sell a derivative at the right time to make a profit or limit a loss,

- there's no guarantee that the other party in the contract will live up to its obligations,
- if the other party a fund is dealing with goes bankrupt, the fund could lose any deposits that were made as part of the contract,
- if the derivatives are being traded on foreign markets, it may be more difficult and take longer to complete a deal. Foreign derivatives can also be riskier than derivatives traded on North American markets, and
- securities exchanges could set daily trading limits on options and futures contracts. This could prevent a fund from completing an options or futures deal, making it impossible to make a profit or limit a loss.

In addition, while using derivatives for hedging may have its benefits, hedging has its own additional risks. Here are some of them:

- there's no guarantee that a hedging strategy will always work,
- a derivative won't always offset a drop in the value of a security, even if it has usually worked out that way in the past,
- hedging doesn't prevent changes in the prices of the securities in a fund's Portfolio, or prevent losses if the prices of the securities go down,
- hedging can also prevent a fund from making a gain if the value of the currency, stock, or bond goes up,
- a fund might not be able to make a deal to hedge against an expected change in a market if most other people are expecting the same change, and
- hedging may be costly.

Exchange Traded Funds Risk. The Funds have obtained relief from the Canadian securities regulators so that they may invest in certain exchange traded funds managed by BetaPro Management Inc. ("BetaPro ETFs"). The BetaPro ETFs utilize leverage in an attempt to magnify returns by either a multiple or an inverse multiple of that benchmark. Units of the BetaPro ETFs are highly speculative, involve a high degree of risk and are subject to increased volatility as they seek to achieve a multiple or inverse multiple of a benchmark.

Foreign Issuer Risk. There may be a greater risk of loss from investments made in the securities of foreign issuers because there may be less information available about foreign issuers relative to the information that is available about Canadian and U.S. issuers. Many foreign issuers are not subject to the extensive accounting, auditing, financial reporting and other disclosure requirements which apply in Canada and the United States.

Foreign Market Exposure. Investments made by a Fund may include securities of issuers established in jurisdictions outside Canada and the U.S. even though they derive a significant portion of their revenue or earnings from the U.S or Canada. Although some of such issuers will be subject to uniform accounting, auditing and financial reporting standards comparable to those applicable to Canadian and U.S. issuers, some issuers may not be subject to such standards and, as a result, there may be less publicly available information about such issuers than a Canadian or U.S. issuer. Volume and liquidity in some foreign markets may be less than in Canada and the U.S. and, at times, volatility of price may be greater than in Canada or the U.S. As a result, the price of such securities may be affected by conditions in the market of the jurisdiction in which the issuer is located or its securities are traded. Other risks include the application of foreign tax law, changes in governmental administration or economic or monetary policy and the effect of local market conditions on the availability of public information. Investments in foreign markets carry potential exposure to the risk of political upheaval, acts of terrorism and war, all of which may have an adverse impact on the value of such securities.

Illiquid Securities. Up to 10% of each of the Fund's NAV may be invested in illiquid securities. As such, there is no assurance that an adequate market will exist for the securities included in the Portfolio and it cannot be predicted whether the securities included in the Portfolio will trade at a discount to, a premium to, or at their respective par or net asset values. There can be no assurance that a Fund will be able to dispose of its investments in order to honour requests to redeem units.

Index ETF risks. Index ETFs seek to provide daily result that replicate the daily performance of a specified widely-quoted index. Such ETFs may invest in securities that are included in the referenced index in substantially the same proportion as those reflected in the reference index, or may invest in a manner that substantially replicated the performance whether on a leveraged or unleveraged basis. Index ETFs may be exposed to several risks including:

- *Tracking Error Risk*. Deviations in the tracking by an Index ETF to a referenced index may occur as a result of a rebalancing or adjustment of the constituents of an index which necessitate a rebalancing adjustment to the portfolio of the Index ETF or as a result of material subscriptions by designated brokers/underwriters of an Index ETF impacting the market for constituent securities of the index, as the designated broker/underwriter seeks to acquire (or borrow) such securities to build the basket of securities to deliver to the ETF in settlement for the units or shares to be issued.

- *Risk of not replicating the index.* ETFs pay transaction costs when adjusting the portfolio of securities held, as well as other expenses such as the management fees and fund expenses, all of which reduce the total return generated by the portfolio of securities. Such costs and expenses are not included in the referenced index. Also, from time to time, an ETF may not fully replicate the performance of an index due to temporary unavailability of constituent securities arising from market conditions or other extraordinary circumstances (e*.g. cease or halt trading orders, etc.)*

- *Leverage Risk.* To the extent the ETF employs leverage in seeking to replicate a referenced index, this may result in the ETF experiencing more volatility that the referenced index resulting in returns that deviate, potentially materially, from the referenced index. Leverage can magnify potential gains or losses and as such have a higher degree of risk than an ETF that simply tracks the reference index through holding constituent securities in similar proportions as the referenced index.

- *Redemption risk.* ETF securities may trade in the market at a premium or discount to the ETF's net asset value per unit/share as a result of market supply and demand for their securities. There is no guarantee they will trade at prices reflective of their net asset value. To the extent a Fund is unable to fully realize the value of an investment in an ETF as a result of market conditions at the time of disposition, a Fund may choose to redeem the ETF where it may receive less than 100% of the ETF's net asset value per unit/share.

Interest Rate Risk. Changes in interest rates have an impact on a range of investments. The prices of fixed-income investments such as treasury bills and bonds tend to fall when interest rates go up. On the other hand, they tend to rise when interest rates are falling. Longer-term bonds and strip bonds are generally more sensitive to interest rate changes.

Investment Trust Risk. Some of the Funds may invest in real estate, royalty, income and other investment trusts which are investment vehicles in the form of trusts rather than corporations. To the extent that claims, whether in contract, in tort or as a result of tax or statutory liability, against an investment trust are not satisfied by the trust, investors in the investment trust, including the Funds investing in the trust, could be held liable for such obligations. Investment trusts generally seek to make this risk remote in the case of contract by including provisions in their agreements that the obligations of the investment trust will not be binding on investors personally. However, investment trusts could still have exposure to damage claims such as personal injury and environmental claims. Certain jurisdictions have enacted legislation to protect investors in investment trusts from the possibility of such liability.

Income trusts generally hold debt, equity or royalty interests in an underlying active business. To the extent that an underlying business is susceptible to industry risks, interest rate fluctuations, commodity prices and other economic factors, investment returns from an income trust and the price of an income trust may be similarly affected. Although distributions and returns are neither fixed nor guaranteed, income trusts are structured in part to provide a constant stream of income to investors. As a result, an investment in an income trust may be subject to interest rate risk.

Liquidity Risk. In some cases, there is a possibility that a mutual fund will not be able to convert its investments to cash when it needs to. Some securities are illiquid because of legal restrictions, the nature of the investment itself, settlement terms, there being a shortage of buyers, or other reasons. Some companies are not well known, have few securities outstanding or can be significantly affected by political and economic events. Securities issued by these companies may be difficult to buy or sell and the value of the Funds that buy these securities may rise and fall substantially.

For example, smaller companies may not be listed on the stock market or traded through an organized market. They may be hard to value because they are developing new products or services for which there is not yet an established market or revenue stream. They may have few shares outstanding, so a sale or purchase of shares will have a greater impact on the share price.

Generally, investments with lower liquidity tend to have more dramatic price changes. A Fund that has trouble selling a security can lose money or incur extra costs.

Market Disruptions. War and occupation, terrorism and related geopolitical risks may in the future lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events could also have an acute effect on individual issuers or related groups of issuers. These risks could also adversely affect securities markets, inflation and other factors relating to the Portfolio securities.

Market Risk. Mutual funds hold many securities and the prices of those securities can go up or down. Prices of equity securities, such as common shares, can decrease because of factors such as general market conditions, political developments, and changes in the business and affairs of the companies that issue the securities. Sometimes investors worry that companies that issue debt securities such as bonds may run into financial problems and be unable to pay their debts which causes the price of the debt securities to fall. Funds that invest primarily in company shares have generally been the most sensitive to price changes, but fixed-income funds are also subject to price volatility.

Portfolio Concentration Risk. Diversification of each of the Fund's investments will be limited by geography, and the securities of such issuers are likely to be adversely impacted by any downturns in the global or local economy that impacts issuers organized in the same geographical location or market. Accordingly, this concentration may have a negative impact on the value of the equity securities and the general risk of the Portfolio may be increased as a result of such geographic concentration.

Potential Conflicts of Interest. The Manager, its directors and officers and their respective affiliates and associates may engage in the promotion, management or investment management of other accounts, funds or trusts which may invest primarily in the securities held by the Funds.

Although officers, directors and professional staff of the Manager will devote as much time to the Funds as is deemed appropriate to perform their duties, the staff of the Manager may allocate their time and services amongst the various Funds managed by the Manager.

Regulatory Risk. Certain companies are subject to the laws, regulations and policies of regulatory agencies, which may have an impact on revenue. At times, governmental permits and approvals are required prior to commencing projects. Any delay or rejection of these proposed plans would hinder the company's growth projections.

Reliance on the Manager. Unitholders will be dependent on the ability of the Manager to effectively manage the Funds in a manner consistent with the investment objectives, strategy and restrictions of each Fund. The employees of the Manager who will be primarily responsible for the management of the Portfolios have experience in managing investment Portfolios. There is no certainty that the employees of the Manager who will be primarily responsible for the management of the Portfolios will continue to be employees of the Manager throughout the term of the Funds.

Risks of Investing in Debt Securities. Generally, debt instruments will decrease in value when interest rates rise and increase in value when interest rates decline. The NAV will fluctuate with interest rate changes and the corresponding changes in the value of the securities in the Portfolio. The value of debt instruments also is affected by the risk of default in the payment of interest and principal and price changes due to such factors as general economic conditions and an issuer's creditworthiness. Debt instruments may not pay interest or their issuers may default on their obligations to pay interest and/or principal amounts. Certain of the debt instruments that may be included in the Portfolio from time to time may be unsecured, which will increase the risk of loss in case of default or insolvency of the issuer. Global financial markets have experienced significant volatility in the last few years that has generally contributed to a reduction in liquidity and the availability of credit, enhancing the likelihood of default by some issuers due to diminishing profitability or an inability to refinance existing debt.

Risks of Investing in Equity Securities. Equities such as common shares give the holder part ownership in an issuer. The value of an equity security changes with the fortunes of the issuer that issued it. General market conditions and the health of the economy as a whole can also affect equity prices. Equity related securities that provide indirect exposure to the equity securities of an issuer can also be affected by equity risk. Present economic conditions may adversely affect global companies and the pricing of their securities. Further continued volatility or illiquidity could impair materially the profitability of these issuers.

Risks Relating to Redemptions. If a significant number of units are redeemed, the expenses of the Fund would be spread among fewer units resulting in a potentially lower Series NAV per unit. The Manager may terminate the Fund if, in its opinion, it is no longer economically feasible to continue the Fund and/or it would be in the best interests of the unitholders to do so. If the Fund were terminated as a result of redemptions, it may be terminated before the Manager would otherwise have chosen to do so and the return to unitholders may be less than anticipated. Under exceptional circumstances a mutual fund may suspend redemptions. See the information under the heading *Can my rights to redeem units in the Fund be suspended?*

Sector Risk. Some mutual funds concentrate their investments in a certain sector or industry in the economy. This allows these mutual funds to focus on that sector's potential, but it also means that they are riskier than mutual funds with broader diversification. Because securities in the same industry tend to be affected by the same factors, sector-specific mutual funds tend to experience greater fluctuations in price. These mutual funds must continue to follow their investment objectives by investing in their particular sector, even during periods when that sector is performing poorly.

Series Risk. Each Fund is offered in more than one series. In addition to common fees and expenses, each series has its own fees and expenses, which each Fund tracks separately. These expenses are deducted in the calculation of the series net asset value per unit. If a Fund cannot pay the expenses of a series using that series' share of the Fund's assets, it will pay those expenses out of the other series' proportionate share of the Fund's assets. This would lower the value of the other series of the Fund.

Short Selling and Margin Purchases. Where a Fund may engage in short selling securities or maintain short positions, it may do so up to a maximum of 10% of the NAV, provided that such 10% limit does not apply to short sales of securities or to short positions maintained for the purpose of hedging (as defined in NI 81-102) the Portfolio's exposure to the equity securities to be received by the Fund in connection with the exercise of the right to acquire such securities pursuant to a conversion or in connection with the exercise by the issuer of the right to issue such securities at maturity. A short sale of a security may expose the Fund to losses if the price of the security sold short increases because the Fund may be required to purchase such securities in order to cover its short position at a higher price than the price at which such securities were sold short. The potential loss on the short sale of securities is unlimited, since there is no limit on how much the price of a security will appreciate before the short position is closed out. In addition, a short sale entails the borrowing of the security in order that the short sale may be transacted. There is no assurance that the lender of the security will not require the security to be returned before the Fund wishes to do so, thereby requiring the Fund to borrow the security elsewhere or purchase the security in the market at an unattractive price. In the event that numerous lenders of the security in the market simultaneously recall the same security, a "short-squeeze" may occur, whereby the market price of the borrowed security may increase significantly. In addition, the borrowing of securities entails the payment of a borrowing fee. There is no assurance that a borrowing fee will not increase during the borrowing period, adding to the expense of the short sale strategy. In addition, there is no assurance that the security sold short can be repurchased due to supply and demand constraints in the marketplace.

Purchasing securities on margin exposes the Fund to the risk of increased losses if the value of the securities purchased on margin decreases, as the Fund will be required to repay its securities dealer for the margin used to purchase securities and may therefore be required to sell assets in order to maintain the margin requirements of its trading account. In addition, if the value of securities purchased on margin exceeds 10% of the NAV, the Fund may sell assets in order to comply with its investment restrictions. In either case, such sales may be required to be done at prices which may adversely affect the value of the Portfolio and the returns to the Fund.

Suspension of Redemptions. Under exceptional circumstances a mutual fund may suspend redemptions. See the information under the heading *Can my rights to redeem units in my Caldwell Mutual Funds be suspended?*

Tax Risks. Where a Fund is invested in securities of foreign issuers, dividends, distributions and certain interest received by the Fund will be subject to foreign withholding tax and the Fund may be subject to other foreign taxes. There can be no assurance that income tax laws and the treatment of trusts under the *Income Tax Act* (Canada) (the "Tax Act") will not be changed in a manner which adversely affects the Funds or unitholders. If a Fund experiences a "loss restriction event" (i) it will be deemed to have a year-end for tax purposes (which would result in an allocation of the Fund's taxable income at such time to unitholders so that the Fund is not liable for income tax on such amounts), and (ii) it will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. As a result of the application of these rules, the amount of distributions paid by a Fund after a loss restriction event may be larger than it otherwise would have been. Generally, a Fund will be subject to a loss restriction event if a person becomes a "majority-interest beneficiary" of the Fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the Tax Act. Generally, a majority-interest beneficiary of a Fund is a unitholder who, together with persons and partnerships with whom the unitholder is affiliated, owns units with fair market value that is greater than 50% of the fair market value of all units of the Fund. However, it is expected that each Fund will qualify for relief from the application of the loss restriction event rules.

All Caldwell Mutual Funds can be subject, from time to time, to the above risk factors, unless otherwise indicated.

Investment risk classification methodology

The Manager determines the risk ratings of the Funds for purposes of disclosure in this prospectus in accordance with the methodology prescribed in Appendix F *Investment Risk Classification Methodology* of NI 81-102 (the "CSA Methodology"), which has come into force March 8, 2017. Under the CSA Methodology, the Manager determines the standard deviation of each Fund's performance for the most recent 10 years, which is a measure of historical volatility, using a prescribed formula, locates the range of standard deviation within which each Fund's standard deviation falls, and identifies the investment risk level set opposite the applicable range by the CSA Methodology.

Standard deviation is a common statistic used to measure the volatility and risk of an investment. Funds with higher standard deviations are generally classified as being more risky. Other types of risk, both measurable and non-measurable, may exist and historical performance may not be indicative of future returns and a Fund's historical volatility may not be indicative of its future volatility. As a result, as part of our final determination of a Fund's risk ranking, we may consider other quantitative and qualitative factors including investment style, sector concentration and permitted ranges for different investment types and may, at our discretion, classify a Fund at a higher, but not a lower, investment risk level than that determined using the CSA Methodology, should we deem that appropriate. Each Fund is assigned an investment risk rating in one of the following categories: low, low-to-medium, medium, medium-to-high, or high risk.

Under the CSA Methodology, if it has been less than 10 years since securities of a Fund were first available to the public, the Manager must select a reference index in accordance with prescribed criteria, and calculate the standard deviation of the Fund by using the return history of the Fund and imputing the return history of the reference index for the remainder of the 10-year period.

Caldwell reviews the level of risk associated with each Fund in connection with each filing of a Fund Fact document of a Fund, and at least annually. Caldwell may determine the investment risk level more frequently than annually, including if we determine it is no longer reasonable in the circumstances.

A more detailed explanation of the CSA Methodology, standard deviation and the methodology that Caldwell uses to determine the risk rating of the Funds is available on request, at no cost, by contacting Caldwell toll-free at 1-800-256-2441 or by writing to Caldwell Investment Management Ltd., 150 King Street West, Suite 1702, P.O. Box 47, Toronto, Ontario, M5H 1J9.

ORGANIZATION AND MANAGEMENT OF CALDWELL MUTUAL FUNDS

Manager and Trustee	Caldwell Investment Management Ltd. ("Caldwell") is responsible for the day-to-day management of the undertaking and operations of the Funds. Caldwell Mutual Funds are organized as trusts. When you invest in any of the Funds, you are buying units of the trust. Caldwell was appointed as the trustee of the Funds on March 23, 2007. Caldwell holds actual title to the property of the Funds - the cash and securities - on your behalf.	• Caldwell Investment Management Ltd. 150 King Street West Suite 1702, P.O. Box 47 Toronto, Ontario M5H 1J9
Portfolio Advisor	As Portfolio advisor, Caldwell provides investment advice and Portfolio management services to the Funds.	• Caldwell Investment Management Ltd. Toronto, Ontario
Principal Distributor	As principal distributor, Caldwell Securities Ltd. markets the units of Caldwell Mutual Funds directly to the public. The Funds are also available through authorized dealers. Caldwell Securities Ltd. is affiliated with Caldwell as both are wholly owned subsidiaries of Caldwell Financial Ltd.	• Caldwell Securities Ltd. Toronto, Ontario
Independent Review Committee	The Independent Review Committee (the "IRC") will review all conflict of interest matters referred to it by Caldwell and make recommendations on whether a course of action achieves a fair and reasonable result for each Fund. Only upon making that determination will the IRC recommend to Caldwell that the transaction proceed. The IRC will also at least annually prepare a report of its activities for unitholders which will be available on Caldwell's website at www.caldwellinvestment.com, or at a unitholder's request at no cost, by contacting Caldwell at info@caldwellinvestment.com. The IRC may also approve certain mergers involving the Funds and any change of the auditor of the Fund without seeking unitholder approval. In these cases, unitholders will be sent a written notice at least 60 days before the effective date of any such merger or change of auditor. Additional information about the IRC is available in the Funds' Annual Information Form.	• The members of the Independent Review Committee for the Fund are Sharon Kent (appointed May 1, 2007), F. Michael Walsh (appointed May 26, 2011) and Trent Morris (appointed November 2, 2017).
Custodian	The cash and securities of the Funds are held by CIBC Mellon Trust Company.	• CIBC Mellon Trust Company Toronto, Ontario
Registrar	SGGG Fund Services Inc. is the registrar of the Funds, and in such capacity keeps a register of the owners of units for the Funds and processes orders.	• SGGG Fund Services Inc. Toronto, Ontario
Auditors	As auditors, Deloitte LLP annually conducts an audit in accordance with Canadian generally accepted auditing standards of the financial statements of the Funds to assess whether they fairly present, in all material respects, the Funds' financial position and results in accordance with the accounting requirements of International Financial Reporting Standards.	• Deloitte LLP Chartered Professional Accountants Toronto, Ontario

PURCHASES, SWITCHES AND REDEMPTIONS

How do I purchase units of Caldwell Mutual Funds?

Units of the Funds must be purchased through registered dealers in all provinces and territories of Canada (except in the Province of Quebec where units of the Funds are not offered). The Caldwell Balanced Fund issues four series of units (Series A units, Series D units, Series F units and Series M units) and the Tactical Sovereign Bond Fund ("TSBF") issues three series of units (Series A units, Series D units and Series F units)

Series A units are available to all investors for each Fund.

Series D units are available only to investors who purchase through non-advising registered dealers, typically discount brokers. Such dealers' participation in the Series D Option program is subject to Caldwell's terms and conditions. (See *How do purchase options affect fees I pay – Series D Option).*

Series F units are available for each Fund to investors who participate in fee-based programs through their broker or dealer. You can only buy Series F units if we and your broker or dealer approve it first. Your broker or dealer's participation in the Series F Option program is subject to Caldwell's terms and conditions. (See *How do purchase options affect fees I pay – Series F Option*).

Series M units are available for the Caldwell Balanced Fund, to investors who participate in the Caldwell Managed Account Program (MAP) and have entered into an investment questionnaire and management agreement with Caldwell Securities Ltd.

Minimum Investment – Series A Units, Series D Units and Series F Units

The minimum initial purchase order for Series A, Series D or Series F units of a Fund is $500. Each subsequent purchase order for Series A, Series D or Series F units of a Fund must be for an amount of $100 or more ($50 minimum purchase order for investors who participate in the Monthly Investment Plan). Each investor in Series A, Series D or Series F units of a Fund must always hold units of the Fund which have a net asset value of at least $500. If the net asset value of the investor's units of a Fund falls below $500, the investor may be provided with a notice of the Fund's intention to redeem the units unless the investor purchases enough additional units within ten days of receiving the notice.

Minimum Investment – Series M Units

Series M units of the Caldwell Balanced Fund are not subject to minimum initial purchase order amounts, minimum subsequent purchase amounts, or minimum unitholding amounts.

Caldwell reserves the right to change or waive any minimum purchase order and minimum unitholding amounts from time to time, at our sole discretion, without notice.

All units must be paid for in full; therefore, an order for a purchase of units of a Fund must be accompanied by a cheque, certified cheque, bank draft or money order that is payable to your registered dealer. Caldwell must receive any payment made to a registered dealer within two business days of receiving the purchase order from the registered dealer. Caldwell can accept or reject any purchase order no later than one business day after receiving the order. If a purchase order is rejected by Caldwell, all money received with the order will be returned immediately without interest. No certificates are issued for units of Caldwell Mutual Funds.

An investor becomes a unitholder of a Fund on the date that Caldwell processes the investor's purchase order. A purchase order will therefore be reversed by redeeming the investor's units if Caldwell does not receive the purchase price for the units, or the investor otherwise fails to complete the purchase, within the two business day period referred to above. Any resulting loss will not be borne by the Fund but shall be charged to the registered broker or dealer, who may, in turn, have the right to collect it from the investor. Any resulting gain will belong to the Fund and not to the investor.

Is a Redesignation of Units a Taxable Event?

A redesignation of units of one Series of a Fund to units of another Series of the same Fund does not result in a disposition of the units for tax purposes. (See *Income Tax Considerations for Investors*).

How do I redeem units of Caldwell Mutual Funds?

Your registered dealer can help you. You may redeem some or all of your units by completing and depositing with your registered dealer a written redemption request to have a dollar amount or a number of units redeemed by the Fund. The request must be signed by you and should indicate where you would like to have the sale proceeds delivered. The sale proceeds will be delivered within two business days of the valuation date on which the redemption order is processed. Any applicable deferred sales charge or redemption fee payable by you will be deducted from your sale proceeds.

The redemption of units of a Fund constitutes a disposition for tax purposes and may trigger a capital gain or capital loss. (See *Income Tax Considerations for Investors*).

An order for a sale of units back to a Fund will be reversed if a dealer or unitholder fails to meet all sale requirements. Any resulting loss will not be borne by the Fund but shall be charged to the registered broker or dealer, who may, in turn, have the right to collect it from the unitholder. Any resulting gain will belong to the Fund and not to the unitholder.

How are my Caldwell Mutual Fund units valued?

The Series net asset value ("NAV") of a Fund is determined by taking the Series' proportionate share of the market value of the Fund's Portfolio, adding its proportionate share of all other assets and subtracting the Series' liabilities and its proportionate share of common liabilities of the Fund attributable to that Series. The result is the Series NAV of the Fund.

How is the Series net asset value per unit calculated?

Since each Series of a Fund has different costs and liabilities, the Series NAV per unit is calculated separately for each Series. We calculate the Series NAV per unit by taking that Series' NAV, determined as described above, and then dividing that number by the total number of units of that Series that are outstanding.

The purchase and sale price of each unit of a Caldwell Mutual Fund Series is equal to the Series NAV per unit as at 4:00 p.m. (Eastern Time) on each business day. If your purchase or sale order is received after 4:00 p.m. (Eastern Time), the price will be the Series NAV per unit as at 4:00 p.m. (Eastern Time) on the next business day.

When is the Series net asset value per unit calculated?

The Series NAV and Series NAV per unit of a Fund are calculated by Caldwell in accordance with National Instrument 81-102 – *Investment Funds* or successor regulations on any day on which a Fund is required to calculate a net asset value. On such day, the Series NAV and Series NAV per unit are calculated as at 4:00 p.m. (Eastern Time).

Can I switch my investment in one Series to another Series of the same Fund?

Yes. Your units of a Series of a Fund may be redesignated to units of another Series of the same Fund if your broker or dealer notifies us. The redesignated units will be subject to the fees and other terms and conditions applicable to units of the other Series of the Fund as described in the simplified prospectus. Switch fees and short-term trading fees do not apply in respect of a redesignation of units of one Series of a Fund to units of another Series of the Same Fund.

A redesignation of units of one Series of a Fund to units of another Series of the same Fund does not result in a disposition of the units for tax purposes. See *Income Tax Considerations for Investors.*

Can I switch my investment in one Caldwell Mutual Fund to another Caldwell Mutual Fund?

Yes. You may redeem units of a Fund purchased with Canadian dollars and use the proceeds to purchase units of another Caldwell Mutual Fund offered in this or another Simplified Prospectus. This is called a switch. In order to complete such a switch you must deliver a written request to your registered dealer identifying the Fund from which you wish to exit, the number of units you wish to redeem (the amount must be at least $500), and the units of the Caldwell Mutual Fund you wish to purchase.

You may switch units of one Series of a Fund for units of the same Series, or of another Series, of another Caldwell Mutual Fund provided you qualify to hold the new series, except as noted below, as described in the then-current simplified prospectus of the other Caldwell Mutual Fund. Refer to *How do purchase options affect the fees I pay* for more information.

You may switch from a Fund whose units you hold in U.S. dollars to a Fund whose units are available only in Canadian dollars however, your U.S. dollar proceeds will first need to be converted to Canadian dollars. Likewise, you may switch from Fund units held in Canadian dollars into the U.S. option available for a Fund where the Canadian dollar proceeds will need to first be converted to U.S. dollars. Caldwell will automatically convert the proceeds into the currency to complete the switch at the Bank of Canada noon rate, or at the closing rate, should the exchange rates have fluctuated by approximately 50 basis points by market close.

You may not switch units that were acquired under the “Series F Option” (as described below) or “Series M Option” for Series A units or Series D units of another Caldwell Mutual Fund.

You may not redeem units that were acquired on a deferred sales charge basis to purchase units on a front-end sales charge basis, or vice versa.

What charges and taxes apply if I switch between Caldwell Mutual Funds?

Caldwell Mutual Funds do not charge for a switch but your dealer may charge a commission as described under the heading *Fees and Expenses* in order to effect such a switch. If the units of the Fund are subject to a deferred sales charge, including the standard deferred sales charge which had been offered by the Funds prior to July 5, 2013, then the units acquired as a result of the switch shall be subject to a deferred sales charge of exactly the same amount.

A switch between Caldwell Mutual Funds constitutes a disposition for tax purposes and may trigger a gain or loss. (See *Income Tax Considerations for Investors*).

Can my rights to redeem units in my Caldwell Mutual Funds be suspended?

In very rare circumstances it may be necessary to suspend the rights of investors to redeem their units in a Caldwell Mutual Fund. Caldwell will only institute such suspensions when:

(1) trading is suspended on any stock exchange, options or futures exchange within or outside Canada on which securities or specified derivatives are listed and traded which represent more than 50% by value or by underlying market exposure of the total assets of that Fund without allowance for liabilities; or

(2) it obtains the consent of the Canadian securities administrators.

If Caldwell suspends the right to redeem units in a Caldwell Mutual Fund, it will also suspend the right to purchase units in that Fund.

How do purchase options affect fees I pay?

At the time that an investor purchases Series A units, the investor must choose to pay either a front-end sales charge or a low load deferred sales charge. The choice of different purchase options requires an investor to pay different fees and expenses and affects the amount of compensation payable to a dealer.

Front-End Sales Charge. A front-end sales charge is a commission that is paid by an investor to a registered dealer at the time the investor purchases Series A units of a Fund. The amount of the front-end sales charge is negotiated between the investor and the registered dealer but may not exceed an amount as described under the heading *Fees and Expenses*. Please refer to *Fees paid to dealers* for information on how front-end sales charges affect dealer compensation.

Deferred Sales Charge. A deferred sales charge is a commission that is paid by an investor to Caldwell at the time the investor redeems Series A units. The deferred sales charge payable by an investor is deducted from the investor's redemption proceeds to compensate Caldwell for the sales commission described below which Caldwell would have paid to a registered dealer at the time the investor purchased the units. Effective July 5, 2013, the only available deferred sales charge option is a low load deferred sales charge. Prior to July 5, 2013, Series A units of the Funds offered a standard deferred sales charge option. Effective July 5, 2013, for units purchased under the low load deferred sales charge option, Caldwell pays your investment firm a commission of 3%. Effective August 27, 2018, for Series A units of the TSBF purchased under the low load deferred sales charge option, Caldwell pays your investment firm a commission of 2.0%. The amount of a deferred sales charge is dependent on the number of years an investor has held units to be sold back to a Fund as described under the heading *Fees and Expenses*.

Because a deferred charge declines with the passage of time, it may be the preferred purchase option for long-term investors. Please refer to *Fees paid to dealers* for information on how deferred sales charges affect dealer compensation.

Series D Option: Series D units are available for each Fund to investors who purchase through non-advising registered dealers, typically discount brokers. Such dealers' participation in the Series D Option program is subject to Caldwell's terms and conditions.

Series F Option. Series F units are available for each Fund to investors who participate in fee-based programs through their broker or dealer. These investors pay an annual fee for ongoing financial planning advice. We eliminate the commissions and service fees paid to an investor's broker or dealer in respect of Series F Option units, which means that Caldwell can charge a lower management fee for Series F units. The Series F Option is only available in respect of Series F units. You can only buy Series F Option units if we and your broker or dealer approve it first. Your broker or dealer's participation in the Series F Option program is subject to Caldwell's terms and conditions. If your broker or dealer notifies us that you no longer qualify to hold Series F Option units, we will redesignate your units as Series A front-end sales charge units of the same Fund. Switch fees and short-term trading fees do not apply in respect of a redesignation of Series F units to Series A units of the same Fund, as applicable. After a redesignation of Series F units to Series A units of the same Fund, as applicable, the redesignated units will be subject to the fees applicable to Series A units of the Fund.

Series M Option. Series M units are available for the Caldwell Balanced Fund, to investors who participate in the Caldwell Managed Account Program ("MAP") and have completed an investment questionnaire and entered into a management agreement with Caldwell Securities Ltd. ("CSL"). We eliminate the commissions and service fees paid to CSL in respect of Series M Option units, which means that Caldwell can charge a lower management fee for Series M units. The Series M Option is only available in respect of Series M units of the Caldwell Balanced Fund. You can only buy Series M Option units if we and CSL approve it first. CSL's participation in the Series M Option program is subject to Caldwell's terms and conditions. If CSL notifies us that you no longer qualify to hold Series M Option units, we will redesignate your units as Series A front-end sales charge units or, if applicable, as Series F units, of the same Fund. Switch fees and short-term trading fees do not apply in respect of a redesignation of Series M units to Series A units or, if applicable, as Series F units, of the same Fund. After a redesignation of Series M units to Series A units or, if applicable, to Series F units, of the same Fund, the redesignated units will be subject to the fees and other terms and conditions applicable to Series A or Series F units of the Fund, as applicable.

Free Redemption Amount – Series A. An investor who elects to pay a deferred sales charge may redeem a prescribed amount of Series A units during a given year without having to pay a deferred sales charge. This prescribed amount is known as the free redemption amount. The free redemption amount is an amount equal to no more than 10% of the market value of Series A units of the Fund that were held by the investor as at December 31 of the previous year, plus an amount equal to no more than 10% of the market value of additional Series A units acquired by the investor during the current calendar year, less any cash distributions received in the current year. In addition, the free redemption amount includes an amount equal to all Series A units in a Fund acquired on the reinvestment of distributions during the same period. Caldwell reserves the right to vary or eliminate the free redemption amount on 60 days prior written notice to unitholders.

Short-term Trading. Short-term trading in units of the Funds can have an adverse effect on the Funds. Such trading can increase brokerage and other administrative costs of the Funds and interfere with the long-term investment decisions of Caldwell. Caldwell has adopted certain restrictions to deter short-term trading. Please refer to S*hort-term Trading Fees*.

For example, if an investor redeems or switches units of a Fund within 90 days of purchase the investor may be subject to a short-term trading fee of 2% of the amount switched or redeemed. This amount will be retained by the subject Fund, and not by Caldwell or any distributor. This fee is in addition to any redemption or switch fees that may apply and will reduce the amount otherwise payable to an investor on the redemption or reduce the amount switched.

The short-term trading fees will not apply in the case of certain redemptions or switches including:

- those initiated by Caldwell (including as part of a fund reorganization, merger, or MAP rebalance) or by a Fund or another investment fund or by a segregated fund or another investment product which has been approved by Caldwell;
- in the case of what Caldwell, in its discretion, considers a special circumstance, such as the death of a unitholder or a hardship situation; and
- those relating to units received on the reinvestment of distributions.

While these restrictions and Caldwell's monitoring attempt to deter short-term trading, Caldwell cannot ensure that such trading will be completely eliminated. Caldwell may reassess what is adverse short-term trading in the Funds at any time and may charge or exempt transactions from these fees in its discretion.

OPTIONAL SERVICES

Is there a Monthly Investment Plan?

An investor can arrange to make regular pre-authorized investments in a Fund by participating in the Monthly Investment Plan. In order to participate, an investor must arrange to invest at least $50 in a Fund at regular monthly intervals on the 1st or 15th day of a month. The amount chosen is automatically deducted from the investor's bank account and invested in the Fund. There is no charge to enrol in the Monthly Investment Plan and an investor may cease to participate in the Plan at any time by giving at least five business days prior written notice to Caldwell. The Monthly Investment Plan is not available in respect of Series M units of the Caldwell Balanced Fund.

FEES AND EXPENSES

What expenses are payable by investors and by the Funds?

This table lists the fees and expenses that you may have to pay if you invest in Caldwell Mutual Funds. You may have to pay some of these fees and expenses directly. A Fund may have to pay some of these fees and expenses plus any applicable goods and services tax (“GST”), harmonized sales tax (“HST”) (made up of the 5% federal part and the applicable provincial part) and any applicable provincial sales taxes including provincial value-added taxes (“PST”), which will therefore reduce the value of your investment in a Fund.

<table>
<tr><th colspan="6">Fees and Expenses Payable by the Fund</th></tr>
<tr><td rowspan="4">Management Fees</td><td>Fund</td><td>Series A</td><td>Series D</td><td>Series F</td><td>Series M</td></tr>
<tr><td>Caldwell Balanced Fund</td><td>2.00%</td><td>1.25%</td><td>1.00%</td><td>0.75%</td></tr>
<tr><td>Tactical Sovereign Bond Fund</td><td>0.75%</td><td>0.50%</td><td>0.25%</td><td>N/A</td></tr>
<tr><td colspan="5">The annual management fees indicated above are expressed as a percentage of the daily Series NAV of the applicable Series of units.
In exchange for management fees, Caldwell provides certain services to the Funds, including but not limited to:
• the day-to-day management of the Funds;
• the payment of trailing commissions and other forms of compensation to your dealer (or discount broker) in connection with the distribution of the Funds;
• marketing advice and assistance to registered dealers selling the Funds;
• arranging for custodial services;
• the making of investment Portfolio decisions and the execution of Portfolio transactions;
• dealing with the purchase and redemption of Fund securities;
• assist in the negotiation of contractual arrangements with third-party service providers, including the custodian, auditor and legal counsel, including supervision of such service providers;
• the provision of office accommodation, personnel, stationery, office supplies, internal accounting and audit services in respect of the operations of the Funds;
• the maintenance of Fund accounting records;
• the preparation of, or arranging for, the preparation and filing of any Fund prospectus documents, continuous disclosure documents, financial statements, income tax returns and forms of financial and accounting information;
• the monitoring of compliance with applicable regulatory requirements.</td></tr>
<tr><td>Management Fee and Operating Expense Reductions</td><td colspan="5">Caldwell may, in its sole discretion, waive or reduce the management fee, and/or pay on behalf of a Fund a portion of the operating expenses otherwise payable by the Fund, in respect of institutional and individual investors who invest large amounts in the Fund. These reductions are negotiable by the investor or the broker or dealer and Caldwell.
In such instances, Caldwell charges a reduced fee to the subject Fund and the Fund makes a special distribution to the unitholder equal to the amount of the reduction (adjusted, if appropriate, for any reduction in HST/GST thereon), and certain associated cost savings within the Fund (a “Management Fee Distribution”).
Our decision to reduce the typical fees may depend on a number of factors, including the size of the investment, the expected level of account activity and the investor’s total investments with us. We also reserve the right to make Management Fee Distributions in other cases, at our discretion, where it would be fair and equitable to do so.</td></tr>
</table>

	Management Fee Distributions are calculated and credited on each business day and distributed at least quarterly and are payable out of net income and net realized capital gains of the Fund to the extent that the Fund earns or realizes such income or gains in the taxation year in which the Management Fee Distributions are made, and otherwise out of capital. Management Fee Distributions payable to you are reinvested in units of the Fund, unless you specify in advance, in writing, that you would prefer to receive cash. *The waiver or reduction of management fees and/or payment of operating expenses, on behalf of the Fund, may be terminated at any time by Caldwell, at its discretion, or may be continued indefinitely by Caldwell, at its discretion.*
Performance Fees	<u>*Caldwell Balanced Fund - Series M Units*</u> *In addition to the management fee and applicable GST/HST and PST that is payable by the Caldwell Balanced Fund, as compensation for its services as Portfolio advisor of the Fund, Caldwell receives a performance fee (the "Performance Fee") borne by holders of the Series M units of the Caldwell Balanced Fund equal to 20% of the amount by which the NAV per unit of that series of the Fund at the end of a year (the "Year-End Series NAV per Unit") exceeds the annual target NAV per unit of that series of the Fund (the "Year-End Target Series NAV per Unit"), multiplied by the number of outstanding units of that series of the Fund at the end of that year (the "Year-End Series Units").* *The Year-End Target Series NAV per Unit of a series of the Caldwell Balanced Fund is calculated by multiplying the NAV per Series M unit of the Fund at the beginning of the year (the "Beginning Series NAV per Unit"), reduced by distributions on Series M units of the Fund during the year, by the sum of one plus the Fund's benchmark listed below for the period that began immediately after the last period in respect of which a Performance Fee was paid:* • *for Caldwell Balanced Fund, a benchmark composed 32.5% of S&P /TSX Total Return, 32.5% of S&P 500 Total Return ($Cdn) and 35% of S&P Canada Sovereign Bond Index.* *If at any time the NAV per unit of the Series M units of the Fund is less than the Target NAV, then no performance fee will be payable until the NAV per unit of the Series M units of the Fund exceeds the then applicable Target NAV. In addition, no performance fee will be payable in respect of Series M units of the Caldwell Balanced Fund unless a positive absolute return is achieved in a calendar year both before and after the Caldwell Balanced Fund Performance Fee is applied and, if necessary, the Performance Fee otherwise determined will be reduced so that this second test is met.* *For the purpose of calculating the Performance Fee, if a Performance Fee was not earned in a year, the Beginning Series NAV per Unit of the Series M units of a Fund will be reset on January 1st of the following year to (i) the Year-End Series NAV per Unit for that series from the last year that a Performance Fee was earned, or (ii) if no Performance Fee has been previously earned, the Series NAV per Unit of that series on the day the series was first issued to the public.* *Performance Fees for Series M units are calculated and accrued daily, and paid at the end of each year.* *For any redemption of Series M units of a Fund during a year, the prorated Performance Fee at the time of the redemption of such units will be paid to Caldwell at the end of the month in which the redemption occurs.* *The Performance Fee is subject to GST/HST and PST and such tax will be a charge against the Fund.*
Operating Expenses	*In addition to the management fee, Series M Performance Fees and applicable GST/HST and PST that is payable by each Fund, each Fund is required to pay its own operating expenses which include expenses directly related to Portfolio transactions executed by registered brokers or dealers, including Caldwell Securities Ltd., custodial, record keeping and unitholder communication charges, legal and audit*

	expenses and applicable GST/HST and PST as well as any taxes and interest related to the operation of the Fund. The payment of GST/HST and PST by a Fund, in respect of the management fee and its operating expenses will increase the costs borne by the Fund. *Caldwell at its discretion may waive and absorb a portion of the operating expenses otherwise payable by the Funds. The waiver of management fees and operating expenses may be terminated at any time by Caldwell and at its discretion, may be continued indefinitely.* *As at the date of this Simplified Prospectus, each member of the IRC receives an annual retainer of $10,000, plus expenses for each meeting, if applicable. These fees and expenses, plus associated legal and insurance costs, are allocated among all of the funds managed by Caldwell in a manner that is considered by Caldwell to be fair and reasonable.* *In the year ended December 31, 2018, Caldwell offered the Funds and four other funds (Clearpoint Global Dividend Fund, Clearpoint Short Term Income Fund, Caldwell Canadian Value Momentum Fund and Caldwell US Dividend Advantage Fund) for which the IRC reviewed conflict of interest matters.* *The combined total fees paid and payable for the year ended December 31, 2018 to the members of the Independent Review Committee in relation to the Funds, Clearpoint Global Dividend Fund, Clearpoint Short Term Income Fund, Caldwell Canadian Value Momentum Fund and Caldwell US Dividend Advantage Fund were $30,000. There were no reimbursement payments to any members in 2018.* *For the year ended December 31, 2018, the total fees paid and payable to the members of the Independent Review Committee in respect of the Funds were $5000 per Fund (with each member receiving $3,333.33), for a combined total of $10,000, plus applicable taxes.*

Fees and Expenses Payable Directly by You				
Sales Charges	*Tactical Sovereign Bond Fund - up to 4% of the amount invested* *Caldwell Balanced Fund - up to 5% of the amount invested*			
Switch Fees	*Negotiated with your dealer, up to 2% of the amount invested. There is no switch fee with respect to switches of Series M units.*			
Redemption Fees	Units Sold Within the Following Period After the Date of Original Purchase	Percentage of Original Purchase Price		
		TSBF low load Deferred Sales Charge Option*	Low load Deferred Sales Charge Option**	Standard Deferred Sales Charge Option***
	Within one year	*2.5%*	*3.5%*	*4.5%*
	Within two years	*2.0%*	*3.0%*	*4.0%*
	Within three years	*1.5%*	*2.5%*	*3.5%*
	Within four years	*0%*	*0%*	*3.0%*
	Within five years	*0%*	*0%*	*2.5%*
	Within six years	*0%*	*0%*	*2.0%*
	After the sixth year	*0%*	*0%*	*0%*
Free Redemption Amount	*You may arrange with the Caldwell Mutual Funds to redeem once annually up to 10% of the market value of Series A units purchased on a deferred sales charge basis held by you in a Fund as at December 31 of the previous calendar year and continued to be held, plus up to 10% of the current market value of additional Series A units acquired in the current calendar year and continued to be held, without any deferred sales charge. In addition, the free redemption amount includes an amount equal to the distributions which were reinvested in additional Series A units of the Fund, as applicable, during the same period.*			

Short-term Trading Fees	*If a unitholder redeems or switches units of a Fund within 90 days of purchase the unitholder may be subject to a short-term trading fee of 2% of the amount switched or redeemed. This amount will be retained by the subject Fund, and not by Caldwell or any distributor. This fee is in addition to any redemption or switch fees that may apply and will reduce the amount otherwise payable to a unitholder on the redemption or reduce the amount switched. There is no short-term trading fee with respect to switches of Series M units.*
Other Fees and Expenses	*- $50 plus GST/ HST and any PST to replace lost statements* *- $25 plus GST/ HST and any PST to replace lost tax reporting forms*

*Refers to the redemption fees applicable to TSBF units purchased on or after August 27, 2018, under the low load deferred sales charge option.
**Refers to the redemption fees applicable to Caldwell Balanced Fund purchased on or after July 5, 2013, under the low load deferred sales charge option and to the redemption fees applicable to TSBF units purchased during the period starting July 5, 2013 and ending prior to August 27, 2018, under the then-current low load deferred sales charge option applicable to TSBF units.
***Refers to the redemption fees applicable to units purchased prior to July 5, 2013, under the then-current standard deferred sales charge option.

Impact of Sales Charges

The following table shows the amount of fees that you would have to pay under the different purchase options available to you. The front-end sales charge option and the low load deferred sales charge option apply only to Series A units. Assuming you made an investment of $1,000 in any one of the Caldwell Mutual Funds and you held that investment for one, three, five or ten years and redeemed immediately before the end of that period, the fees are outlined in the table below.

	At Time of Purchase	1 Year	3 Years	5 Years	10 Years
Sales Charge Option[1] (front-end sales charge)	$50	$0	$0	$0	$0
Redemption Charge Option[2] (low load deferred sales charge for Caldwell Balanced Fund)	$0	$35	$25	$0	$0
Redemption Charge Option[2] (low load deferred sales charge for TSBF)	$0	$25	$15	$0	$0
Series D Option	$0	$0	$0	$0	$0
Series F Option	$0	$0	$0	$0	$0
Series M Option	$0	$0	$0	$0	$0

1 5% is the maximum sales charge allowable. The client and dealer negotiate a sales charge between 0% and 5%. In the case of TSBF, the maximum allowable sales charge is 4%.

2 Redemption charges payable by you may apply only if you redeem your units in a particular year. Redemption charges are shown under *Fees and Expenses* (page 16). Actual redemption charges may be less than shown in this chart since you may be entitled to a free redemption amount as described under the heading *Free Redemption Amount* above.

DEALER COMPENSATION

Fees paid to dealers

Sales Commissions – Series A Units

When you purchase Series A units of a Fund, you may have to pay a sales commission to your dealer at time of purchase. Such commissions range as disclosed under the heading *Fees and Expenses*, but you should talk to your dealer about how much they will actually charge you.

When you purchase Series A units of a Fund, you may have the option to pay a front-end sales charge or a low load deferred sales charge. If you choose the low load deferred sales charge option when you purchase your Series A units, Caldwell will pay your dealer a sales commission as disclosed under the heading *Deferred Sales Charge* at the time you purchase your units.

Sales Commissions – Series D units, Series F units and Series M Units

You do not pay sales charges on Series D, Series F and Series M units. We do not pay sales commissions to your dealer in respect of Series D, F and Series M units.

Trailing Commissions

Caldwell also pays trailing commissions to your broker on the units purchased or issued on the reinvestment of any distributions, subject to certain eligibility requirements. Generally, the trailing commission is a percentage of the total value of Series A units or Series D units held by you. The maximum annual rate of the trailing commission depends on the sales charge option chosen, the Fund and the purchase date.

For purchases of Series F units or Series M units, Caldwell does not pay any trailing commissions to your broker. You and your broker may negotiate a service fee paid directly by you.

Caldwell will pay trailing commissions to a discount broker for units purchased through your discount brokerage account. The Series D Option has been created for non-advising brokerage arrangements, such as a discount broker.

Trailing commissions payable are set out in the following table.

Maximum Annual Trailing Commission Rates				
Fund	Front-end Sales Option		Low-load Sales Option*	Standard Deferred Sales Charge Option**
	Series A Units	*Series D Units*	*Series A Units*	*Series A Units*
Caldwell Balanced Fund	1.00%	0.25%	0.50% - 1.00%	0.50%
TSBF	0.50%	0.25%	0.25% - 0.50%	0.25%

**The lower value of the range represents the amount paid in trailing commission until the units are free of the low load deferred sales charges (i.e. three years after the date of original purchase). The higher value is paid thereafter.*
***For units purchased under the then-current standard deferred sales charge option offered prior to July 5, 2013.*

Sales Incentive Programs

Caldwell may contribute to direct costs incurred by registered dealers of the Funds which relate to sales commissions, so long as such contributions are in compliance with National Instrument 81-105 – *Mutual Fund Sales Practices*. Other than the foregoing and sales charges and trailing commission, Caldwell pays no sales incentives of any kind.

Related parties

Caldwell and Caldwell Securities Ltd., the principal distributor, are related because each is a wholly-owned subsidiary of Caldwell Financial Ltd.

DEALER COMPENSATION FROM MANAGEMENT FEES

Approximately 34% of the total management fees paid by Caldwell Mutual Funds last year were used to pay commissions and other dealer fees.

INCOME TAX CONSIDERATIONS FOR INVESTORS

The following is a general summary of the Canadian federal income tax consequences to you of distributions from the Funds and dispositions by you of units of the Funds. This summary applies to Canadian resident individuals (other than trusts) who deal with the Funds at arm's length and who hold units of the Funds as capital property.

This summary assumes that each Fund will qualify as a mutual fund trust under the Tax Act at all material times.

The summary is general in nature. It is not intended to be legal or tax advice to any particular investor. Consult your own tax adviser with respect to the tax implications of purchasing, holding and redeeming units of the Funds.

Funds held in a Registered Plan

Units of each of the Funds are, and are expected to continue to be, qualified investments under the Tax Act for registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans and tax-free savings accounts ("Registered Plans").

Annuitants of registered retirement savings plans and registered retirement income funds, holders of tax-free savings accounts and registered disability savings plans, and subscribers of registered education savings plans should consult their own advisers as to whether units would be a "prohibited investment" for their registered retirement savings plan, registered retirement income fund, tax-free savings account, registered disability savings plan or registered education savings plan having regard to their circumstances.

If you hold Fund units in a Registered Plan income and capital gains received from the Funds, and capital gains realized on redeeming, switching or otherwise disposing of units of the Funds, will generally be sheltered from tax until you withdraw amounts from such Registered Plan. Amounts withdrawn from a Registered Plan (other than from a tax-free savings account, contributions withdrawn from a registered education savings plan and certain withdrawals from a registered disability savings plan) will generally be subject to tax.

Funds held outside a Registered Plan

If you hold units of the Funds outside a Registered Plan, you must include in your income the net income and the taxable portion of any net capital gains payable to you by a Fund, including management fee distributions, whether paid in cash or by reinvestment in additional units. If distributions by a Fund in any year exceed your share of the net income and net realized capital gains of the Fund for the year, the excess amount paid to you is known as a return of capital and will not be included in your income but will reduce the adjusted cost base of your units of that Fund by the excess amount.

To the extent applicable, each Fund intends to make designations to ensure that the maximum portion of its dividends from taxable Canadian corporations, foreign income, net realized capital gains and foreign creditable tax will be received by unitholders as dividends from taxable Canadian corporations, foreign income or taxable capital gains, as the case may be, or deemed to be paid by unitholders in the case of foreign creditable tax.

When you purchase units of a Fund, a portion of the price you pay may reflect income and capital gains of the Fund for the year. When these amounts are paid to you, you must include them in your income for tax purposes subject to the provisions of the Tax Act, even though the Fund earned these amounts before you owned the units. This could occur if you buy units close to a distribution date, such as just before the December 15 distribution.

The higher a Fund's Portfolio turnover rate in a year, the greater the chance the Fund will realize accrued capital gains or losses in that year which may result in the acceleration of the recognition of taxable capital gains if net gains are being realized. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

Where you redeem, switch or otherwise dispose of, or are deemed to dispose of, units of a Fund, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the units exceed (or are exceeded by) the aggregate of the adjusted cost base to you of the units and reasonable costs of disposition. Generally, one-half of a capital gain must be included in computing your income under the Tax Act as a taxable capital gain. One-half of a capital loss must be deducted against taxable capital gains in the year of disposition and, subject to certain limitations imposed under the Tax Act, any excess may be carried back three years or forward indefinitely for deduction against taxable capital gains realized in those years. A redesignation of units of a Series to units of another Series of the same Fund does not result in a disposition of the former units for tax purposes.

The adjusted cost base of your units is, generally, the amount paid for your units, plus the amount of any reinvested distributions and additional purchases minus the adjusted cost base of units redeemed and the amount of any reduction required as described above. You should keep detailed records of the purchase costs, sales charges and distributions related to your Fund units. Separate calculations are required in respect of units of each Fund.

Individuals are subject to an alternative minimum tax. Dividends from taxable Canadian corporations and capital gains distributed to or realized by you may give rise to liability for such minimum tax.

If you dispose of units of a Fund and you, your spouse or another person affiliated with you (including a corporation controlled by you) has acquired units of the Fund within 30 days before or after you dispose of your units (such newly acquired units being considered “substituted property”), your capital loss may be deemed to be a “superficial loss”. If so, you will not be able to recognize the loss and it would be added to the adjusted cost base to the owner of the units which are “substituted property”.

The Annual Information Form contains a more detailed discussion of these tax consequences. Investors should consult their tax advisers about their particular circumstances.

Prior to March 15 in each year, we will issue you a tax slip which sets out each type of income and return of capital a Fund has distributed to you. You can claim any tax credits that apply to that income.

Exchange of Tax Information

Each Fund is a “reporting Canadian financial institution” as defined in the Tax Act and it, or the Manager as the “sponsoring entity” of the Fund, will comply with the due diligence and reporting requirements imposed by the Tax Act and the Canada-United States Enhanced Tax Information Exchange Agreement. In order to comply with such requirements, certain information must be requested and obtained from investors in order to identify “US reportable accounts” (including units held by US citizens and other “specified US persons” other than by Registered Plans). Information regarding US reportable accounts will be provided to the Canada Revenue Agency which will exchange that information with the Internal Revenue Service pursuant to the exchange of information provisions of the Canada-United States Income Tax Convention.

Canada has amended the Tax Act to implement the OECD Multilateral Competent Authority Agreement and Common Reporting Standard (“CRS”) which provides for the implementation of the automatic exchange of tax information. Under the CRS, investors will be required to provide certain information including their tax identification numbers in order to identify persons who are resident in countries other than Canada or the United States for the purpose of such information exchange unless their investment is held within a Registered Plan. The CRA is expected to provide that information to countries that are party to the CRS.

WHAT ARE YOUR LEGAL RIGHTS?

Securities legislation in some provinces gives you the right to withdraw from an agreement to buy units of a Fund within two business days of receiving the Simplified Prospectus, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy units of a Fund and get your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form or financial statements misrepresent any facts about a Fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

ADDITIONAL INFORMATION

Glossary

This glossary is intended to assist investors in understanding some of the financial terms and phrases associated with investing in mutual funds.

Annual Information Form (AIF): A legal document filed with securities regulators that supplements or explains in greater detail information contained in the simplified prospectus of a mutual fund.

Balanced Fund: A mutual fund which has an investment policy of "balancing" its Portfolio generally by including bonds and shares in varying proportions influenced by the fund's investment outlook.

Bond: A long-term debt instrument with the promise to pay a specified amount of interest and to return the principal amount on a specified maturity date.

Broker: An agent who handles the public's orders to buy and sell securities, commodities, or other property. A commission is generally charged for this service.

Capital Gain/Loss: The gain/loss that results when a capital asset is sold for more/less than its cost amount.

Common Stock/Common Share: A security representing ownership of a corporation's net assets. Voting rights are normally accorded to holders of common stock/common shares. Often shortened and referred to as "stocks" or "shares".

Custodian: Financial institution, usually a bank or trust company, that holds a mutual fund's securities and cash in safekeeping.

Deferred Sales Charge: A sales charge levied when mutual fund units are redeemed. The deferred sales charge is also referred to as a redemption charge option.

Derivatives: Financial instruments, such as options, futures and forward contracts, whose value is based on the value of an underlying security, index, commodity or currency.

Distributions: Payments to investors by a mutual fund from income and/or profit realized from investments in or sales of securities.

Diversification: The investment in a number of different securities. This reduces the risks inherent in investing. Diversification may be among types of securities, companies, industries or geographic locations.

Equities: This represents the ownership interest of the shareholders (common and preferred) of a company. For this reason, equities are often known as shares.

Equity Fund: A mutual fund whose Portfolio consists primarily of common stocks.

Forward: A forward contract is a contractual agreement between a buyer and a seller in which the buyer of the forward contract agrees to purchase from the seller of the forward contract, and the seller of the forward contract agrees to deliver to the buyer of the forward contract, a specific quantity of a specific underlying interest, at a price agreed upon at the initiation of the contract.

Front-end Sales Charge: A sales charge levied on the purchase of mutual fund units at the time of purchase. The front-end sales charge is also referred to as a sales charge option.

Fund Facts: A legal document that concisely, and in plain language, highlights the potential benefits, risks and costs of investing in a mutual fund.

Futures: A futures contract is similar to a forward contract, except that the time period, underlying interest, quantity and price are standardized, and the contracts are listed and only trade on a futures exchange. Further, margin must be posted by both the buyer and the seller both to initiate and to maintain the futures option.

GIC: A guaranteed investment certificate.

Income Funds: Mutual funds that invest primarily in fixed income securities such as bonds, mortgages and preferred shares. Their primary objective is to produce income for investors, while preserving capital.

Interest: Payments made by a borrower to a lender for the use of the lender's money. Corporations and governments pay interest on bonds to their bondholders.

Life Income Fund (LIF): A RRIF subject to pension legislation to which are deposited locked-in amounts originating from a registered pension plan and which generally requires the purchase of an annuity with the RRIF balance at age 80.

Life Retirement Income Fund (LRIF): A RRIF subject to pension legislation to which are deposited locked-in amounts originating from a registered pension plan and which does not require the purchase of an annuity with the RRIF balance at age 80.

Liquidity: The ease with which an investment may be converted to cash at a reasonable price in a reasonable time.

Locked-In Retirement Account (LIRA): A RRSP subject to pension legislation to which are deposited locked-in amounts originating from a registered pension plan.

Management Expense Ratio (MER): A measure of the total cost of operating a fund for a financial year (excluding brokerage commissions, interest and applicable taxes) as a percentage of average net assets during the financial year.

Management Fee: The sum paid to a mutual fund's advisor or manager for supervising its Portfolio and administering its operations.

Monthly Investment Plan: An arrangement which enables an investor to purchase mutual fund shares regularly in large or small amounts. Also known as a Pre-Authorized Chequing Plan.

Mutual Fund: An investment entity that pools unitholder funds and invests in various securities. The units or shares are redeemable by the fund on demand by the investor. The value of the underlying assets of the fund influences the current price of units.

Net Asset Value per Unit (NAV per Unit): Net asset value of a mutual fund series divided by the number of units of that series outstanding. This represents the base value of a unit of a series of units of a fund and is commonly abbreviated to NAV per Unit.

NI 81-102: National Instrument 81-102 – *Investment Funds*, an instrument of the Canadian Securities Administrators.

Open-end Mutual Fund: An open-end mutual fund continuously issues and redeems units, so the number of units outstanding varies from day to day. Most mutual funds are open-ended.

Portfolio: All the securities which a mutual fund or an individual investor owns.

Preferred Share: An ownership security, senior to the common stock of a corporation, with a specified annual dividend for a preferred claim on assets in case of liquidation.

Prospectus: The document by which a corporation or other legal entity offers a new or continuous issue of securities to the public.

Redemption: The sale of mutual fund units back to the fund.

Registered Disability Savings Plan (RDSP): A tax-deferred vehicle to provide long-term financial security for a child with a severe disability.

Registered Plans: Registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans, tax-free savings accounts and deferred profit sharing plans all as defined in the *Income Tax Act* (Canada).**Registered Retirement Income Fund (RRIF):** A tax-deferred vehicle to which are deposited amounts originating from other tax-deferred vehicles and which requires a minimum annual withdrawal.

Registered Retirement Savings Plan (RRSP): A tax-deferred retirement plan that allows individuals who have not reached the age of 71 to set aside sums of money, within limits, as defined in the Income Tax Act (Canada). These sums are deductible from taxable income when contributed and can compound on a tax-deferred basis.

Sales Charge: In the case of mutual funds, these are commissions charged to a holder of fund units, usually based on the purchase or redemption price.

Shares: A document signifying part ownership in a company. The terms “share” and “stock” are often used interchangeably.

Simplified Prospectus: An abbreviated and simplified prospectus distributed by mutual funds to purchasers and potential purchasers of units, outlining important information investors should know about a mutual fund before investing.

Tax-free Savings Account (TFSA): A vehicle to permit savings of an individual to earn income free of tax.

Treasury Bill (T-Bill): Short-term government debt. Treasury bills bear no interest, but are sold at a discount. The difference between the discount price and par value at maturity is the return to be received by the investor.

Unit: A unit of ownership in a mutual fund trust.

Unitholder: An investor holding units of a mutual fund.

SPECIFIC INFORMATION ABOUT EACH OF THE MUTUAL FUNDS DESCRIBED IN THIS DOCUMENT

CALDWELL BALANCED FUND

FUND DETAILS

Type of Fund:		Balanced Fund
Date of Establishment:		Series A - March 1, 1990 Series D – July 19, 2019 Series F - July 4, 2014 Series M – July 15, 2016
Nature of the securities being offered:		Mutual fund trust units
Are the units eligible for:	RRSP RRIF RESP LIF LRIF LIRA RDSP TFSA	Yes Yes Yes Yes Yes Yes Yes Yes

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The fundamental investment objective of the Fund is to provide consistent capital appreciation through a balanced Portfolio while emphasizing the preservation of unitholder value. The Fund invests in a balance of income generating securities and equities both in Canada and internationally.

The investment objective of the Fund may only be changed with the approval of unitholders at a meeting called for that purpose.

Investment Strategies

The Fund targets a split between equity and fixed income investments, typically 65% to 35%, in order to create a Portfolio with more growth potential than a pure fixed income Portfolio, but lower volatility than a pure equity Portfolio. Equities are complemented with fixed income investments to reduce downside risk when confidence leaves the market. The flight to quality during those times is why the Fund primarily uses government bonds in its fixed income strategy. Up to 10% of the Fund may be invested in companies which we believe represent exceptional growth opportunities, but may be outside our normal parameters noted below. The targeted split between equity and fixed income investments may change significantly if weakness in equity securities is anticipated or evident. Similarly, fixed income securities may be converted to short-term instruments if rising interest rates are anticipated or evident.

On the equity side, quantitative and fundamental analysis is used to identify Canadian and US equities which offer attractive risk-adjusted return potential. The Canadian to U.S. allocation of equities is actively managed. A disciplined, repeatable investment process used by the Manager incorporates embedded risk controls around valuation, balance sheet, management and environment risks, resulting in a focused and concentrated basket of targeted investments with the best potential to perform well.

On the income side, the Fund primarily focusses on Canadian federal bonds, and short-term instruments such as Government of Canada Treasury bills. The terms to maturity will vary between very short-term investments and bonds that mature in five to thirty years. The Fund aims to maintain the net duration of the Portfolio to no more than 10 years, balancing longer-term holdings with shorter-term holdings. When interest rates are rising, the Managers endeavour to own shorter maturities to preserve capital while in a declining interest rate environment, they seek to capture better rates by investing in longer-term bonds to generate capital gains.

The Fund may use specified derivatives, such as options, futures and forward contracts, to:

- hedge against losses associated with rising interest rates, equities and investments in indices,
- gain exposure to fixed income instruments without actually investing in them directly (when owning the derivative investment is less costly than owning the fixed income instrument itself),
- minimize the risk of currency fluctuations, and
- enhance income.

The Fund holds money market instruments or cash to meet its obligations under the derivatives contracts.

The Fund may engage in active and frequent trading of Portfolio securities in order to capitalize on investment opportunities in changing markets. A mutual fund generally realizes capital gains, or capital losses, if it sells an investment for more, or less, than its cost amount plus reasonable costs of disposition, if any. The higher a fund's Portfolio turnover rate in a year, the more likely it will realize accrued gains or losses which may accelerate the recognition of taxable capital gains if net gains are being realized, and the greater the trading costs payable by the fund in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

The Fund may depart temporarily from the foregoing as a result of adverse market conditions.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Most of the Fund's assets will be invested, directly or indirectly, in common shares and fixed income instruments. The value of common shares can be affected by changes in Canadian and foreign markets and in the companies that issue the shares. The value of fixed income instruments can be affected by changes in interest rates. See *What are the risks associated with mutual funds?* for more information on the following and other risks that apply to this Fund.

- Interest Rate Risk
- Portfolio Concentration Risk
- Risk relating to Fluctuations in the Value of Portfolio Securities and Performance of the Portfolio
- Currency Risk and Foreign Market Exposure
- Risk of Investing in Equity Securities
- Regulatory Risk
- Liquidity Risk
- Risk of Investing in Debt Securities
- Use of Derivatives Risk
- Sector Risk
- Risk of Investing in Equity Securities
- Illiquid Securities Risk
- Reliance on Managers
- Market Disruptions and Market Risk

The risk rating of the Fund is low-to-medium. Due to the Fund's unique investment strategies, we may classify the Fund's risk rating higher than the risk rating determined using the CSA Methodology. For more information, see *Investment risk classification methodology*.

WHO SHOULD INVEST IN THIS FUND?

The Fund is suitable for investors with a moderate risk tolerance and long-term investment time horizon. Investors who want the stability and income of Canadian government bonds combined with the growth potential of senior Canadian and American corporations should consider investing in this Fund. This Fund is not designed for investors with short-term investment time horizons.

DISTRIBUTION POLICY

Each year, the Fund distributes to unitholders of the Fund income and net realized capital gains on December 15 of the year. Distributions are reinvested in units of the Fund, unless you specify in advance, in writing, that you would prefer to receive cash.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some expenses out of fund assets. That means investors in a mutual fund indirectly pay for these expenses through lower returns.

The following example is intended to help an investor compare the cost of investing in Caldwell Balanced Fund with the cost of investing in other mutual funds. The example shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor. This example is based on the following assumptions:

(1) the initial investment is $1,000;

(2) the total annual return of the Fund is 5% per year;

(3) the management expense ratio ("MER") of the Fund throughout the years below was equal to the MER of the Fund last year.

	Year	MER	Return	Total fees paid by investor
Series A	1	2.83%	5%	$29.01
	3	2.83%	5%	$91.45
	5	2.83%	5%	$160.28
	10	2.83%	5%	$364.85
Series D	1	N/A*	5%	N/A*
	3	N/A*	5%	N/A*
	5	N/A*	5%	N/A*
	10	N/A*	5%	N/A*
Series F	1	1.71%	5%	$17.53
	3	1.71%	5%	$55.26
	5	1.71%	5%	$96.85
	10	N/A*	5%	N/A*
Series M	1	1.94%	5%	$19.89
	3	1.94%	5%	$62.69
	5	N/A*	5%	N/A**
	10	N/A*	5%	N/A**

*This information is not available because this series of the Fund was not available.

See *Fees and Expenses* for more information about the cost of investing in Caldwell Mutual Funds.

TACTICAL SOVEREIGN BOND FUND (Formerly Caldwell Income Fund)

FUND DETAILS

Type of Fund:		Bond
Date of Establishment:		Series A - June 27, 1997 Series D – July 19, 2019 Series F – July 15, 2016 (formerly Series I)
Nature of the securities being offered:		Mutual fund trust units
Are the units eligible for:	RRSP RRIF RESP LIF LRIF LIRA RDSP TFSA	Yes Yes Yes Yes Yes Yes Yes Yes

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The fundamental investment objective of the Fund is to generate attractive total returns, while placing an emphasis on capital preservation, by investing primarily in a Portfolio of government guaranteed bonds.

The investment objective of the Fund may only be changed with the approval of unitholders at a meeting called for that purpose.

Investment Strategies

Utilizing a combination of fundamental macroeconomic and technical analysis, the Fund will seek to achieve its investment objective by employing an investment strategy designed to identify and capitalize on anticipated changes in: (i) Canadian and U.S. yields and yield curves; and (ii) currency exchange rates. The Fund tactically invests in government guaranteed bonds to generate attractive total returns, while placing an emphasis on capital preservation. While the Fund maintains a focus on Canadian and U.S. bond issues, the Manager may consider the sovereign debt of foreign nations to meet the Fund's fundamental investment objective.

The Fund will typically invest primarily in Canadian and U.S. government guaranteed debt securities and may also supplement its holdings, from time to time, with long and short positions in securities which provide exposure to government bonds, such as exchange traded funds (ETFs). The Fund may invest in ETFs (each a Underlying ETF and collectively Underlying ETFs) which seek to provide the daily results that replicate the daily performance of a specified widely-quoted index by an inverse multiple of up to 100% which are traded on a stock exchange in Canada or the United States and do not qualify as "index participation units" (as defined in National Instrument 81-102). During periods in which the Manager anticipates declining interest rates, the Fund will seek to enhance returns by increasing its allocation to bonds and increasing the overall Portfolio duration. Conversely, during anticipated rising interest rates, the Fund will endeavor to mitigate risk by lowering its Portfolio duration and increasing its allocation to shorter-term debt instruments and/or cash and cash equivalents.

The Fund may also strategically engage in hedging or shorting strategies and utilize specified derivatives, such as options, futures and forward contracts, to:

- insulate the Portfolio against losses associated with rising interest rates,

- gain exposure to fixed income instruments without actually investing in them directly (when owning the derivative investment is less costly than owning the fixed income instrument itself),

- enhance returns or minimize the risk associated with anticipated changes in interest or currency exchange rates.

The Fund may engage in active and frequent trading of Portfolio securities in order to capitalize on investment opportunities in changing markets. A mutual fund generally realizes capital gains, or capital losses, if it sells an investment for more, or less, than its cost amount plus reasonable costs of disposition, if any. The higher a fund's Portfolio turnover rate in a year, the more likely it will realize accrued capital gains or losses which may accelerate the recognition of taxable capital gains if net gains are being realized, and the greater the trading costs payable by the fund in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

The Fund has received permission from securities regulatory authorities pursuant to a decision dated November 7, 2018, to invest in securities of exchange-traded funds (ETFs) that seek to provide daily results that replicate the daily performance of a specified widely quoted index by an inverse multiple of up to 100%, which are traded on a stock exchange in Canada or in the United States and do not qualify as "index participation units" (IPUs) (each an Underlying ETF and collectively Underlying ETFs) in the future provided that, among other things:

(i) the securities of each Underlying ETF are traded on a recognized exchange in Canada or the United States;

(ii) the Fund may not purchase securities of an Underlying ETF if, immediately after the purchase, more than 10% of the net assets of the Fund, taken at market value at the time of the purchase, would consist of securities of Underlying ETFs; and

(iii) the Fund does not purchase securities of an Underlying ETF or sell any securities short if, immediately after the transaction, the Fund's market value exposure represented by all such securities purchased and securities sold short would exceed 20% of the NAV, taken at market value at the time of the transaction.

Canadian Underlying ETFs eligible for investment must be distributed pursuant to a long form prospectus prepared pursuant to National Instrument 41-101, listed on the Toronto Stock Exchange or another 'recognized exchange' in Canada as defined in the *Securities Act* (Ontario), is a reporting issuer in one or more jurisdictions in Canada and is subject to NI 81-107 in respect of conflict of interest matters to which NI 81-107 applies.

U.S. Underlying ETFs are publicly offered mutual funds subject to the *United States Investment Company Act of 1940*.

The Fund may depart temporarily from the foregoing strategies as a result of adverse market conditions.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Most of the Fund's assets will be invested, directly or indirectly, in fixed income instruments. The value of fixed income instruments can be affected by changes in interest rates. See *What are the risks associated with mutual funds?* for more information on the following and other risks that apply to this Fund.

- Interest Rate Risk
- Risk relating to Fluctuations in the Value of Portfolio Securities and Performance of the Portfolio
- Market Risk
- Liquidity Risk and Illiquid Securities Risk
- Portfolio Concentration Risk
- Currency Risk and Foreign Market Exposure
- Index ETF and Exchange Traded Fund Risk
- Risk of Investing in Debt Securities

- Use of Derivatives Risk
- Foreign Issuer Risk
- Reliance on Managers
- Sector Risk
- Short Selling and Margin Purchases
- Market Disruptions

The risk rating of the Fund is low. Due to the Fund's unique investment strategies, we may classify the Fund's risk rating higher than the risk rating determined using the CSA Methodology. For more information, see *Investment risk classification methodology*.

WHO SHOULD INVEST IN THIS FUND?

The Fund is suitable for investors with a low risk tolerance and a mid-term investment time horizon. Investors who want to have the stability and income provided by Canadian government bonds should consider investing in this Fund. While the Fund may invest a portion of its holdings in more growth-oriented investments, this Fund is not designed for investors for whom capital growth is the primary investment objective.

DISTRIBUTION POLICY

Annually the Fund distributes income to unitholders of the Fund and additionally net realized capital gains on December 15 of the year. Distributions are reinvested in units of the Fund, unless you specify in advance, in writing, that you would prefer to receive cash.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some expenses out of fund assets. That means investors in a mutual fund indirectly pay for these expenses through lower returns.

The following example is intended to help an investor compare the cost of investing in TSBF with the cost of investing in other mutual funds. The example shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor. This example is based on the following assumptions:

(1) the initial investment is $1,000;

(2) the total annual return of the Fund is 5% per year;

(3) the management expense ratio ("MER") of the Fund throughout the years below was equal to the MER of the Fund last year.

	Year	MER	Return	Total fees paid by investor
Series A	1	1.87%	5%	$19.17
	3	1.87%	5%	$160.43
	5	1.87%	5%	$105.91
	10	1.87%	5%	$241.09
Series D	1	N/A*	5%	N/A*
	3	N/A*	5%	N/A*
	5	N/A*	5%	N/A*
	10	N/A*	5%	N/A*
Series F	1	1.26%	5%	$12.92
	3	1.26%	5%	$40.71
	5	N/A*	5%	N/A*
	10	N/A*	5%	N/A*

*This information is not available because the Series of the Fund was not available

See *Fees and Expenses* for more information about the cost of investing in Caldwell Mutual Funds.

CALDWELL MUTUAL FUNDS

[BACK COVER]

- additional information about Caldwell Mutual Funds is available in the Funds' Annual Information Form, Fund Facts, management reports of fund performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

- you can get a copy of these documents, at your request, and at no cost, by calling toll-free 1-800-256-2441 or from your dealer or by e-mail at info@caldwellinvestment.com.

- these documents and other information about Caldwell Mutual Funds, such as information circulars and material contracts, are also available on Caldwell Mutual Funds' internet site at www.caldwellinvestment.com or at www.sedar.com.

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